

**DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
ANNUAL REPORT ON GOALS, OBJECTIVES AND POLICIES**

**January 2006**

Program ID/Title: AGS 871/Campaign Spending Commission

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**I. Goals**

- A. Goal #1 - Develop a five-year Strategic Plan for the Campaign Spending Commission ("Commission") involving stakeholders.
- B. Goal #2 - Assure the timely and accurate reporting of campaign contributions and expenditures by all candidate and noncandidate committees that are required to register and report to the Commission.
- C. Goal #3 - Educate and disseminate information to candidate and noncandidate committees regarding their respective reporting requirements.
- D. Goal #4 - Administer the Hawaii election campaign trust fund to insure its viability for the Commission and to provide funding for publicly funded candidates.
- E. Goal #5 - Administer and enforce the provisions of the campaign spending law.
- F. Goal #6 - Promote informed voters.

**II. Objectives and Policies**

- A. Goal #1 - Develop a five-year Strategic Plan for the Commission involving stakeholders.
  - 1. Develop framework in which to gather information and input to develop a five-year Strategic Plan.
  - 2. Meet with stakeholders, including Commissioners, resource people, legislators, council members, board of education members, O.H.A. trustees, community members, the media, and public interest groups to determine needs, projected needs and direction.
  - 3. Organize and prioritize information.
  - 4. Develop stakeholder input into goals and objectives, a projected budget, and

projected ripple effects.

5. Develop implementation of Strategic Plan.

6. After implementation, evaluate and adjust Strategic Plan as necessary.

B. Goal #2 - Assure the timely and accurate reporting of campaign contributions and expenditures by all candidate and noncandidate committees that are required to register and report to the Commission.

1. Study and pursue cutting-edge technology, including software and hardware, to improve and simplify the electronic filing program for candidate committees.
2. Utilize technology to monitor and track the timely and accurate reporting of contributions and expenditures by candidate and noncandidate committees.
3. Identify and notify candidate and noncandidate committees who have failed to file required reports.
4. Identify and notify candidate and noncandidate committees who have filed defective or deficient reports.
5. Conduct random audits and field investigations, as necessary, to ensure the accurate reporting of contributions and expenditures by candidate and noncandidate committees.

C. Goal #3 - Educate and disseminate information to candidate and noncandidate committees regarding their respective reporting requirements.

1. Develop user-friendly reporting forms and procedures for all candidate and noncandidate committees.
2. Prepare and publish manuals, made available both electronically and in hard copy, to assist candidate and noncandidate committees with completing reporting forms and meeting reporting requirements.
3. Plan and conduct educational and informational workshops on the reporting requirements including providing uniform and simple methods of record keeping.
4. Develop a series of newspaper advertisements and public service announcements regarding changes in the campaign spending law, targeting candidates and contributors.

5. Provide the HERTS2 (Hawaii Electronic Reporting and Tracking System) software program and HERTS2 user manual for candidates to file reports electronically.
  6. Develop an informational CD containing the reporting forms, reporting schedules, the published manuals, the HERTS2 software program and the HERTS2 user manual.
  7. Publish a quarterly newsletter entitled “CSC Bulletin Board” and disseminate to all registered candidate and noncandidate committees.
  8. Maintain the Commission’s website as a source of information for the general public and for candidate and noncandidate committees. Post the reporting forms, reporting schedules, the published manuals, the HERTS2 software program, the HERTS2 user manual and the quarterly newsletter.
- D. Goal #4 - Administer the Hawaii election campaign trust fund to insure its viability for the Commission and to provide funding for publicly funded candidates.
1. Administer and monitor the distribution of public funds to qualified candidates.
  2. Prepare and publish a study and recommendation to the legislature regarding the status of the Hawaii election campaign fund at least one year prior to a primary or general election.
  3. Develop a series of advertisements to educate the general public about the voluntary \$2 tax check-off to increase participation.
  4. Actively enforce the campaign spending laws.
- E. Goal #5 - Administer and enforce the provisions of the campaign spending law.
1. Render advisory opinions on issues brought before the Commission for interpretation.
  2. Respond to phone, letter, electronic, and walk-in requests for assistance in interpreting and applying campaign spending laws and rules.
  3. Investigate violations of the campaign spending law.
  4. Subpoena witnesses and require the production of books, papers, documents, or objects to facilitate investigations.

5. Render a decision or issue an order that provides for an assessment of an administrative fine.
6. Conduct contested case hearings to determine probable cause that a violation of the campaign spending law has been committed.
7. Refer for prosecution intentional or knowing violations of campaign spending laws.
8. Develop plan to scan 1996, 1998, 2000 and 2002 campaign reports onto CDs for ease of access and to reduce storage requirements.

F. Goal #6 - Promote informed voters.

1. Market the use of the Commission's website by the public to access information regarding contributions received and expenditures made by candidates.
2. Continue to improve user-friendliness of the Commission's website.

III. Action Plan with Timetable

A. Goal #1 - Develop a five-year Strategic Plan for the Commission involving stakeholders.

1. Past Year Accomplishments - New Goal for 2006.
2. One Year - Meet with stakeholders including Commissioners, resource people, legislators, council members, board of education members, O.H.A. trustees, community members, the media, and public interest groups to determine needs, projected needs and direction.
3. Two Years - Formulate a five-year Strategic Plan through organizing and prioritizing stakeholder information into goals and objectives, developing a projected budget that is aligned with the Strategic Plan, developing implementation and evaluation plans.
4. Five years - Guided by Strategic Plan. Continue to evaluate for necessary changes due to changes in the campaign spending law, technology, budget, etc.

B. Goal #2 - Assure the timely and accurate reporting of campaign contributions and expenditures by all candidate and noncandidate committees that are required to register and report to the Commission.

1. Past Year Accomplishments - Utilized the Commission's existing database to ensure the timely and accurate reporting of campaign contributions and

expenditures. Delinquent filers were identified and notices sent with the assessment of late filing penalties. The Commission collected \$8,750 in late filing penalties which was deposited into the Hawaii Election Campaign Fund.

Began the process of developing an automated back-end system for tracking the timely and accurate reporting of campaign contributions and expenditures. Began beta-testing of the automated back-end system to ensure that it meets the requirements of the campaign spending law.

Campaign spending reports for the 1994, 1996, 1998 and 2000 elections were sent to the DAGS Archives Division - State Record Center for storage. A schedule has been established to ensure that the reports are preserved for ten years.

2. One Year - Implement a fully operational automated back-end system for tracking the timely and accurate reporting of campaign contributions and expenditures. Develop improved methods of notifying candidate and noncandidate committees regarding upcoming reporting deadlines.
3. Two Years - Maintain the automated back-end system for tracking the timely and accurate reporting of campaign contributions and expenditures.
4. Five Years - Maintain and evaluate the fully operational automated back-end system for tracking the timely and accurate reporting of campaign contributions and expenditures.

C. Goal #3 - Educate and disseminate information to candidate and noncandidate committees regarding their respective reporting requirements.

1. Past Year Accomplishments - 120 or 42% of the 284 total candidates running in the 2004 elections used the HERTS2 software program to prepare and file campaign spending reports. 83 or 69% of the 120 HERTS2 users used the program to file reports directly over the Internet.

The Commission's website was utilized for educating and disseminating information regarding reporting requirements. The Commission's website averaged 47,679 "hits" (page requests) per month from an average of 2,241 individual users per month.

The Commission developed an informational CD called the "CSCCD" containing the reporting forms, reporting schedules, the published manuals, the HERTS2 software program and the HERTS2 user manual.

The Commission, in conjunction with ICSD and a paid contractor, developed a web-based filing system for noncandidate committees. Testing by the Commission and ICSD has concluded with a few outstanding issues still needing to be resolved by ICSD. Beta-testing by a select group of users will commence upon completion of these unresolved issues.

2. One Year - Complete the process of developing a web-based filing system for the filing of campaign spending reports by noncandidate committees. Begin beta-testing of the web-based filing system to ensure that it meets the requirements of the campaign spending law.

Continue to plan and provide educational and informational workshops on the reporting requirements and electronic filing.

Continue to publish a quarterly newsletter entitled "CSC Bulletin Board" and maintain the Commission's website.

Develop a marketing program to educate the public and candidates regarding changes in the campaign spending law.

3. Two Years - Implement a fully operational web-based filing system for the filing of campaign spending reports by noncandidate committees.

Begin the process of developing a web-based filing system for the filing of campaign spending reports by candidate committees. Begin beta-testing of the web-based filing system to ensure that it meets the requirements of the campaign spending law. Transition candidates from the HERTS2 software program to the web-based filing system.

Continue to plan and provide educational and informational workshops on the reporting requirements and electronic filing.

Continue to publish a quarterly newsletter entitled "CSC Bulletin Board" and maintain the Commission's website.

4. Five Years - Implement a fully operational web-based filing system for the filing of campaign spending reports by candidate committees. Maintain a fully operational web-based filing system for the filing of campaign spending reports by candidate and noncandidate committees.

Continue to plan and provide educational and informational workshops on the reporting requirements and electronic filing.

Continue to publish a quarterly newsletter entitled "CSC Bulletin Board" and maintain the Commission's website.

D. Goal #4 - Administer the Hawaii election campaign trust fund to insure its viability for the Commission and to provide funding for publicly funded candidates.

1. Past Year Accomplishments - During the 2004 elections, 26 or 9% of the 284 candidates that ran received a total of \$228,173.88 in public funds from the Hawaii Election Campaign Fund. 10 or 38% of the 26 candidates won their respective elections with two (2) of those candidates being first-time candidates.

Administrative fines totaling \$634,420.59 have been paid to the Hawaii Election Campaign Fund through the active enforcement of the campaign spending law. Of that amount, \$32,670.59 was from fines assessed to four candidates for various violations of the campaign spending law.

Revenue from the \$2 tax check-off totaling \$220,490 was deposited into the Hawaii Election Campaign Fund. Interest totaling \$137,501.52, copy charges totaling \$459.14, excess contributions totaling \$2,900, anonymous contributions totaling \$810 and surplus/residual funds totaling \$574.67 were other notable receipts into the Hawaii Election Campaign Fund.

2. One Year - Develop a media campaign to educate the public regarding the purpose and benefits of the \$2 Hawaii tax check-off system. Continue to actively enforce the campaign spending law. Monitor the use of public financing to determine the viability of the fund in future years.
3. Two Years - Continue to encourage candidate participation in the public funding program and participation by Hawaii tax filers in the voluntary \$2 tax check-off system. Continue to actively enforce the campaign spending law. Plan for a potential drop-off in fines and possible need for an appropriation from the legislature. Research other sources of funding.
4. Five Years - Continue to encourage candidate participation in the public funding program and participation by Hawaii tax filers in the voluntary \$2 tax check-off system. Continue to actively enforce the campaign spending law. Continue to research and apply for other sources of funding.

E. Goal #5 - Administer and enforce the provisions of the campaign spending law.

1. Past Year Accomplishments - The Commission assessed administrative fines to 12 companies and individuals totaling \$601,750 for making false name and excess contributions. Since 2001, 92 companies and individuals have been

assessed administrative fines totaling \$1,732,700 for making false name and excess contributions.

Four candidates were assessed administrative fines totaling \$32,670.59 for various violations of the campaign spending law.

2. One Year - Continue administrative and enforcement measures to ensure compliance with the campaign spending law. Request legislative changes to the Hawaii campaign spending law as needed, including for purposes of effectiveness and clarity.

Hold Hawaii Administrative Rule hearings to adopt and implement numerous rule changes to align them with changes in the Hawaii Revised Statutes and for clarity.

Develop plan to conclude investigations from 1998 and 2002 campaigns including collecting outstanding false name and excess contributions that were illegally made to candidates. Develop plan to resolve registration termination of candidates from prior elections with outstanding loans.

3. Two Years - Continue administrative and enforcement measures to ensure compliance with the campaign spending law. Continue legislative efforts for needed changes.
4. Five Years - Continue administrative and enforcement measures to ensure compliance with the campaign spending law. Continue legislative efforts for needed changes.

F. Goal #6 - Promote informed voters.

1. Past Year Accomplishments - New Goal for 2006.
2. One Year - Develop educational advertisements and public service announcements to encourage the public to become informed voters by accessing the Commission's website for information regarding contributions received and expenditures made by candidates.

Continue to improve user-friendliness of the Commission's website. Continue to communicate with the Public Disclosure Project in California on methods to improve campaign spending websites.

3. Two Years - Continue to improve user-friendliness of the Commission's website. Continue to communicate with the Public Disclosure Project in California on methods to improve campaign spending websites.



4. Five Years - Every election year, beginning in January, educate the public through the media, on campaign spending laws and the availability of campaign finance information on the Commission's website.

#### IV. Performance Measures

- A. Customer Satisfaction measure - Evaluate website use by the general public and interest in campaign spending information by analyzing statistical data on the number of "hits", pages with the most "hits", etc. Utilize the statistical analysis to improve the contents and user-friendliness of the Commission's website.
- B. Program Standard measure - Number of campaign spending law violations should decline as compliance increases as a result of the Commission's widely-publicized investigations, as candidate training sessions increase, as public use of the Commission's website increases, and as enforcement remains pro-active and stable.
- C. Cost Effectiveness measure - Due to the nature of this office, cost effectiveness measures are not applicable at this time.